

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

HOUSTON DIVISION

In re:

CORE SCIENTIFIC, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-90341 (DRJ)
)
) (Jointly Administrated)
)

**JOINDER OF TRINITY CAPITAL INC. TO RESERVATION
OF RIGHTS AND LIMITED OBJECTION OF BARINGS BDC, INC.,
BARINGS CAPITAL INVESTMENT CORPORATION, AND BARINGS
PRIVATE CREDIT CORP. TO THE DEBTORS' EMERGENCY DIP MOTION**

Trinity Capital Inc. ("Trinity") as a prepetition secured lender under that certain *Master Equipment Financing Agreement*, dated as of August 31, 2021 (as amended, restated supplement, or otherwise modified from time to time, the "MEFA"), and all collateral schedules thereto (each, a "Schedule"), files this joinder (this "Joinder") to the *Reservation of Rights and Limited Objection of Barings BDC, Inc., Barings Capital Investment Corporation, and Barings Private Credit Corp. to the Emergency Motion of Debtors for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Secured Parties, (E) Modifying the Automatic*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisitions, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisition I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief (the “Objection”)² [ECF No. 291].

BACKGROUND

1. On December 21, 2022 (the “Petition Date”), each of the above-captioned debtors and debtors-in-possession (the “Debtors”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their business and property as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. An Official Committee of Unsecured Creditors was appointed on January 9, 2023. *See Notice of Appointment of Official Committee of Unsecured Creditors* [ECF No. 256]. No trustee or examiner has been appointed in these chapter 11 cases.

A. The Debtors’ Business, the Relevant Agreements, and the Collateral

2. As noted in the Objection, the Debtors are entities headquartered in Austin, Texas, that operate as an infrastructure, technology, and services company that owns and operates computer equipment used to process transactions conducted on blockchain networks in exchange for digital currency assets and transaction processing fees awarded in digital currency assets (“Bitcoin”), commonly referred to as “mining.” The Debtors mine Bitcoin for their own accounts and host mining operations for third-party customers at eight operation data centers in the United States.

3. On August 31, 2021, Trinity and Debtor Core Scientific, Inc. (“Core Scientific”) entered into the MEFA, an equipment loan and security agreement pursuant to which Trinity agreed, subject to certain conditions, to provide financing to Core Scientific in the aggregate amount of \$30,000,000 to finance the Debtors’ purchase of equipment for the mining of Bitcoin

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Objection.

(the “Equipment”). Core Scientific entered into four separate loan transactions (each a “Secured Loan” and collectively, the “Secured Loans”) with Trinity, dated as of August 31, 2021, November 19, 2021, December 10, 2021, and February 9, 2022 (as applicable), each evidenced by a Schedule governing the payment terms applicable to each transaction and the Collateral securing each of the Secured Loans. The general terms and conditions applicable to each of the Secured Loan transactions evidenced by the Schedules are governed by the MEFA. Core Scientific borrowed the first tranche of \$1,000,000 on August 31, 2021, the second tranche of \$14,000,000 on November 19, 2021, the third tranche of \$5,000,000 on December 10, 2021, and the fourth tranche of \$10,000,000 on February 9, 2022. As of the Petition Date, not less than \$26,884,860.00 in obligations owed by Core Scientific to Trinity on account of the Secured Loans was outstanding.

4. The obligations in respect of the Secured Loans are secured by security interests granted by Core Scientific in the following assets (the “Collateral”): (a) the Equipment and other property described in Exhibit A to each Schedule (including all inventory, fixtures or other property comprising the Equipment), together with all related software (embedded therein or otherwise); (b) all subleases, chattel paper, accounts, security deposits, relating to the foregoing, and all substitutions, replacements or exchanges for any of the foregoing; and (c) all insurance and/or other proceeds of the foregoing. *See* MEFA ¶ 11(b).

JOINDER

5. For the reasons stated therein, Trinity joins the Objection and respectfully requests that this Court provide Trinity with the relief sought in the Objection, including, but not limited to, (a) modification of the DIP Budget to account for any cash payments that may need to be made to the Equipment Lenders (including Trinity) as adequate protection, including payment of the Equipment Lender Adequate Protection Claims, *see* Objection ¶ 36; (b) receipt of information necessary for the Equipment Lenders (including Trinity) and the Court to properly evaluate the

proposed Equipment Lender Adequate Protection, *see* Objection ¶ 41; and (c) waivers under sections 506(c) and 552(b) of the Bankruptcy Code with respect to Trinity, *see* Objection ¶ 42.

RESERVATION OF RIGHTS

6. Trinity reserves its right to supplement and amend this Joinder at any time, and to raise any other arguments or otherwise respond to arguments regarding the issues addressed in connection with the DIP Motion.

CONCLUSION

7. For the reasons set forth herein and in the Objection, Trinity respectfully requests that the Court grant the relief requested herein and in the Objection.

Dated: January 17, 2022

/s/ Caroline A. Reckler

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Certificate of Service

I certify that on January 17, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Caroline A. Reckler

Caroline A. Reckler